

SULLIVAN, MOUNTJOY, STAINBACK & MILLER PSC
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Tyson A. Kamuf
Mark W. Starnes
C. Ellsworth Mountjoy
Susan Montalvo-Gesser

July 7, 2008

Via Federal Express

Ms. Stephanie Stumbo
Executive Director
Public Service Commission
211 Sower Boulevard, P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

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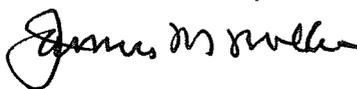
**PUBLIC SERVICE
COMMISSION**

Re: The Applications of Big Rivers Electric Corporation for: (I) Approval of Wholesale Tariff Additions for Big Rivers Electric Corporation, (II) Approval of Transactions, (III) Approval to Issue Evidences of Indebtedness, and (IV) Approval of Amendments to Contracts; and of E.ON U.S., LLC, Western Kentucky Energy Corp., and LG&E Energy Marketing, Inc., for Approval of Transactions, PSC Case No. 2007-00455

Dear Ms. Stumbo:

Enclosed on behalf of Big Rivers Electric Corporation are an original and ten copies of the "Funding of Certain Amounts to be Paid to The Bank of America," and "Payment Regarding the Buy-Out of The Bank of America," as requested by Commission Staff. I certify that a copy of this letter and the attachments have been served upon the persons identified on the attached service list.

Sincerely yours,



James M. Miller

JMM/ej
Enclosures

cc: Michael H. Core
David Spainhoward
Service List

Telephone (270) 926-4000
Telcopier (270) 683-6694

100 St. Ann Building
PO Box 727
Owensboro, Kentucky
42302-0727

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

Hon. Robert Michel
Orrick, Herrington & Sutcliffe
666 Fifth Avenue
New York, NY 10103

Hon. Kyle Drefke
Orrick, Herrington & Sutcliffe
Columbia Center
1152 15th Street, NW
Washington, DC 20005

Charles Buechel
Utility & Economic Consulting Inc.
116 Carrie Court
Lexington, KY 40515

Hon. Doug Beresford
Hon. Geof Hobday
Hogan & Hartson
555 Thirteenth Street, NW
Washington, DC 20004

Paul Thompson
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

David Sinclair
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

D. Ralph Bowling
Western Kentucky Energy Corp.
P. O. Box 1518
Henderson, KY 42419

Hon. Kendrick Riggs
Stoll, Keenon & Ogden PLLC
500 West Jefferson Street
Louisville, KY 40202

Hon. Allyson Sturgeon
E.ON U.S. LLC
220 West Main Street
Louisville, KY 40202

Kelly Nuckols
Jackson Purchase Energy Corp.
P. O. Box 4030
Paducah, KY 42002-4030

Burns Mercer
Meade County RECC
P. O. Box 489
Brandenburg, KY 40108

Sandy Novick
Kenergy Corp.
P. O. Box 18
Henderson, KY 42419

Hon. Frank N. King
Dorsey, King, Gray,
Norment & Hopgood
318 Second Street
Henderson, KY 42420

Hon. David Denton
Denton & Kueler, LLP
P.O. Box 929
555 Jefferson Street, Suite 301
Paducah, KY 42002-0929

Hon. Tom Brite
Brite and Butler
P. O. Box 309
Hardinsburg, KY 40143

Jack Gaines
JDG Consulting, LLC
P. O. Box 88039
Dunwoody, GA 30356

SERVICE LIST
BIG RIVERS ELECTRIC CORPORATION
PSC CASE NO. 2007-00455

Hon. Michael L. Kurtz
Boehm, Kurtz & Lowry
Suite 2110
36 East Seventh Street
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Hon. David Brown
Stites & Harbison, PLLC
1800 Aegon Center
400 West Market Street
Louisville, KY 40202

Henry Fayne
1980 Hillside Drive
Columbus, Ohio 43221

Allan Eyre
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Henderson, KY 42420

Russell Klepper
Energy Services Group
316 Maxwell Road
Alpharetta, GA 30004

Hon. C. B. West
Stoll Keenon Ogden PLLC
201C North Main Street
Henderson, KY 42420

Gary Quick
Henderson Municipal Power & Light
100 5th Street
Henderson, KY 42420

Hon. John N. Hughes
124 West Todd Street
Frankfort, Kentucky 40601

Hon. Dennis Howard
Assistant Attorney General
Office of the Attorney General
Utility & Rate Intervention Division
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601-8204

Mr. David Brevitz
Brevitz Consulting Services
3623 Southwest WoodValley Terrace
Topeka, KS 66614

Don Meade
800 Republic Building
420 W. Muhammad Ali Blvd.
Louisville, KY 40202

Katherine Simpson Allen
Stites & Harbison, PLLC
401 Commerce Street
Suite 800
Nashville, Tennessee 37219

E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202

June 24, 2008

Big Rivers Electric Corporation
P.O. Box 24
Henderson, Kentucky 42419-0024
Attn: President & CEO

Alcan Primary Products Corporation
P.O. Box 44
Henderson, Kentucky 42419
Attn: Plant Manager, Sebree Smelter

Century Aluminum of Kentucky General Partnership
Hawesville Plant
P.O. Box 500
1627 State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager

Subject: Funding of Certain Amounts to be Paid to The Bank of America

Gentlemen:

Reference is made to (a) that certain letter agreement dated February 9, 2007, among Big Rivers Electric Corporation ("Big Rivers"), Alcan Primary Products Corporation ("Alcan"), Century Aluminum of Kentucky General Partnership ("Century" and, together with Alcan, the "Smelters") and E.ON U.S. LLC ("E.ON U.S."), pursuant to which, among other transactions, those parties agreed to jointly fund certain consent fees or the like that may become payable to certain other parties, upon the terms and subject to the conditions set forth therein (the "Joint Fee Sharing Agreement"), and (b) that certain letter agreement dated February 9, 2007, among Big Rivers, Alcan, Century and E.ON U.S., pursuant to which, among other transactions, those parties agreed to jointly fund certain transaction costs that may become payable or reimbursable to certain other parties, upon the terms and subject to the conditions set forth therein (the "Joint Cost Sharing Agreement").

Reference is also made to (a) that certain letter agreement dated April 18, 2008 (the "April 18 Letter"), between Big Rivers and Bank of America Leasing Corporation ("BofA"), pursuant to which Big Rivers agreed to purchase from BofA certain undivided

Big Rivers Electric Corporation
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beneficial trust interests related to certain defeased lease transactions (collectively, the "BofA Lease Transaction"), and (b) the proposed Omnibus Termination Agreement, draft dated May 27, 2008 (as finally negotiated and executed by the parties thereto, the "Termination Agreement"), among Big Rivers, Big Rivers Leasing Corporation, FBR-1 Statutory Trust, FBR-2 Statutory Trust, BofA, AME Investments, LLC, CoBank, ACB ("CoBank"), AME Asset Funding, LLC, U.S. Bank National Association, AIG Matched Funding Corp., Ambac Credit Products, LLC, and Ambac Assurance Corporation. Capitalized terms used but not defined in this letter shall have the meanings given in the Termination Agreement.

The parties desire to enter into this letter agreement to evidence their agreements with respect to the funding of the Lessor Consideration and certain transaction costs payable by Big Rivers under the Termination Agreement.

In consideration of the foregoing and their respective covenants and agreements set forth herein, the parties hereto agree as follows, effective as of the date first written above:

1. Notwithstanding anything to the contrary set forth therein, the parties hereto acknowledge and agree that the Lessor Consideration shall constitute neither "Fees" under and as defined in the Joint Fee Sharing Agreement nor "Transaction Costs" under and as defined in the Joint Cost Sharing Agreement.

2. The parties hereto shall contribute towards the Lessor Consideration (net of the proceeds referred to in Section 3 below), at the time contemplated below (but not before) as follows: Big Rivers shall contribute the Series B Prepayment Amount; the Smelters shall jointly contribute \$1,000,000; and E.ON U.S. shall contribute the balance.

The maximum \$1,000,000 increment to be funded jointly by the Smelters will be allocated between them on a basis satisfactory to them and reflected in a separate agreement between them. Each party's commitment would be to fund its respective share of the Lessor Consideration at the time of the closing of the transactions contemplated by the Termination Agreement, the conditions to such closing being governed by such agreement; provided, that in the event those transactions under the Termination Agreement are to close prior to the closing of the transactions contemplated by the Transaction Termination Agreement dated as of March 26, 2007, as amended, among Big Rivers, Western Kentucky Energy Corp. and LG&E Energy Marketing Inc. (the "Transaction Termination Agreement"), other than as a result of an election by E.ON U.S. to deliver an Election Notice (as defined below) pursuant to Section 5 of this letter agreement, E.ON

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U.S. shall have the right and option, exercisable in its sole discretion at any time (whether before or following the closing of the transactions contemplated by the Termination Agreement), to delay the funding of its respective share of the Lessor Consideration until the closing contemplated by the Transaction Termination Agreement, and in such event the funding obligation of E.ON U.S. shall not accrue under this letter agreement until such time as either that closing under the Transaction Termination Agreement has occurred or E.ON U.S. has elected to tender delivery of its respective share of the Lessor Consideration, whichever is earlier. Except as otherwise provided in Section 5 below, no party would be obligated to first fund any portion of its commitment unless and until the other parties fund their respective share at the same time.

3. The specific amount of the funding commitment of E.ON U.S. hereunder will be such amount as may be determined by Big Rivers and E.ON U.S. on the basis of the final terms and conditions of the Termination Agreement agreed to by them in writing, after taking into account the contributions of Big Rivers and the Smelters contemplated in Section 2 above, and the liquidation, sale, application and netting against the Lessor Consideration of all proceeds received by Big Rivers or its designee or paid on behalf of Big Rivers to any Lease Transaction Parties in respect of the termination, liquidation or sale (as applicable) of the Payment Agreements and the Funding Agreements; provided, that the funding commitment of E.ON U.S. hereunder shall be further conditioned on (a) the application of the Payment Termination Amount under each Payment Agreement and the application of the Series B Prepayment Amount at the closing contemplated by the Termination Agreement in the manner contemplated in that agreement and (b) the termination and/or liquidation of the Funding Agreements in full and the application of all proceeds of that termination and/or liquidation toward the payment of the Lessor Consideration at that closing. Big Rivers will keep E.ON U.S. and the Smelters reasonably apprised of the status and final negotiation of the terms and conditions of the Termination Agreement and will provide appropriate documentation detailing the Lessor Consideration prior to the closing of the transactions contemplated by the Termination Agreement.

4. Upon the closing of the transactions contemplated by the Termination Agreement, the government securities pledged under the Government Securities Pledge Agreements, together with any proceeds from the sale or other disposition thereof, shall be the sole property of Big Rivers.

5. E.ON U.S. will have the right and option, exercisable by it at any time by written notice delivered to Big Rivers and the Smelters at their addresses set forth above (an "Election Notice"), to elect to cause the closing of the transactions contemplated by the

Big Rivers Electric Corporation
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Termination Agreement (the "BofA Closing") to occur prior to the closing of the transactions contemplated by the Transaction Termination Agreement (the "Unwind Closing"), on the terms and conditions set forth in this Section 5. In the event an Election Notice is delivered by E.ON U.S. to Big Rivers and the Smelters as contemplated above, each of Big Rivers and E.ON U.S. will cooperate with one another and use their respective reasonable best efforts to cause the BofA Closing to occur as soon as practicable following the date of that notice, upon the terms and subject to the conditions set forth in the Termination Agreement to be agreed upon by Big Rivers and E.ON U.S. as contemplated above. Notwithstanding anything contained in this letter agreement to the contrary, in the event the BofA Closing shall occur (pursuant to that agreed Termination Agreement) following the delivery of an Election Notice but prior to the Unwind Closing (or an earlier termination of this letter agreement as contemplated below), E.ON U.S. agrees to initially contribute toward the BofA Closing the full amount of the Lessor Consideration contemplated in Section 2 of this letter agreement (that is, net of the proceeds referred to in Section 3 above) other than the Series B Prepayment Amount (which Big Rivers agrees to contribute at that BofA Closing), including the \$1,000,000.00 contribution from the Smelters described in that Section 2, as well as all related "Transaction Costs" (as defined in the Joint Cost Sharing Agreement) that are payable by Big Rivers to one or more of the Lease Transaction Parties under Section 5 of the Termination Agreement (exclusive of the Lessor Consideration). Thereafter, in the event the Unwind Closing shall occur: (a) the Smelters jointly agree to remit and pay to E.ON U.S. at the Unwind Closing the amount of \$1,000,000 in immediately available funds, representing the Smelters' collective contribution toward the Lessor Consideration as contemplated in that Section 2, and (b) all such "Transaction Costs" shall be subject to reimbursement in accordance with the Joint Cost Sharing Agreement. In the event the BofA Closing occurs following the delivery of an Election Notice but prior to the Unwind Closing as contemplated herein, then unless and until the Unwind Closing thereafter occurs, Big Rivers and the Smelters shall have no obligation to pay or reimburse E.ON U.S. for any portion of the Lessor Consideration (other than the application by Big Rivers of the proceeds described in Section 3 above that are within its possession or control, and other than the contribution by Big Rivers of the Series B Prepayment Amount as contemplated below) or such "Transaction Costs" contributed by E.ON U.S. at the BofA Closing.

6. The Joint Fee Sharing Agreement and the Joint Cost Sharing Agreement shall continue in full force and effect from and after the execution of this letter agreement in accordance with their respective terms. This letter agreement shall not be deemed to amend, modify or supplement the Joint Fee Sharing Agreement or the Joint Cost Sharing Agreement. For the avoidance of doubt, the parties hereto agree that, except as otherwise

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provided in Section 5 above, fees and expenses (exclusive of the Lessor Consideration) incurred by the Lease Transaction Parties payable or paid by Big Rivers pursuant to Section 5 of the Termination Agreement shall constitute "Transaction Costs" subject to shared contribution under and in accordance with the Joint Cost Sharing Agreement, but shall not constitute costs or expenses that are recoverable by Big Rivers from E.ON. U.S. or any of its affiliates or subsidiaries pursuant to any other agreement(s) between or among those parties. In addition, Big Rivers agrees that its respective share of the Lessor Consideration paid or payable by it under this letter agreement or the Termination Agreement (including the Series B Prepayment Amount) shall not be a cost or expense recoverable by Big Rivers under any other agreement(s) between or among Big Rivers, E.ON U.S. or any of its affiliates or subsidiaries.

7. It is acknowledged and agreed by the parties hereto that the final Termination Agreement may contain modifications or other changes to the defined terms used herein and the provisions applicable with respect thereto. The parties agree that no such modification(s) shall be deemed to modify this letter agreement absent the written agreement of the parties to such modification(s), and further agree that, to the extent any such modification or other change to the Termination Agreement requires an amendment or supplement to this letter agreement, the parties shall cooperate in good faith to negotiate and execute such amendment or supplement in order to sustain the intent of the parties as expressed herein.

8. Notwithstanding anything to the contrary set forth in this letter agreement, this letter agreement shall become null and void and of no further force or effect, without notice or further action on the part of any party, in the event the Transaction Termination Agreement shall be terminated in accordance with its terms at any time prior to the time at which E.ON U.S. shall have an unconditional obligation to fund its respective share of the Lessor Consideration pursuant to this letter agreement.

9. This letter agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to the conflict of laws rules or principles of that state.

[Signature page follows.]

Big Rivers Electric Corporation
Alcan Primary Products Corporation
Century Aluminum of Kentucky General
Partnership
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If the foregoing is consistent with our agreement, please execute a copy of this letter in the space provided below and return it to the undersigned. Thank you.

E.ON U.S. LLC

By: 
Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Michael Core, President & CEO

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Y'von d' Anjou, President

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: _____
E. Jack Gates, President

Big Rivers Electric Corporation
Alcan Primary Products Corporation
Century Aluminum of Kentucky General
Partnership
June 24, 2008
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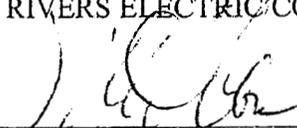
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E.ON U.S. LLC

By: _____
Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By:  _____
Michael Core, President & CEO

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Y'von d'Anjou, President

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: _____
E. Jack Gates, President

Big Rivers Electric Corporation
Alcan Primary Products Corporation
Century Aluminum of Kentucky General
Partnership
June 24, 2008
Page 6

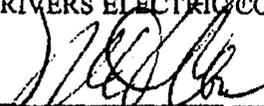
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E.ON U.S. LLC

By: _____
Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By: 
Michael Core, President & CEO

ALCAN PRIMARY PRODUCTS CORPORATION

By: 
Pam Schneider, Treasurer

CENTURY ALUMINUM OF KENTUCKY GENERAL PARTNERSHIP

By: METALSCO, LLC

By: _____

LOU: 2847444-2

Big Rivers Electric Corporation
Alcan Primary Products Corporation
Century Aluminum of Kentucky General
Partnership
June 24, 2008
Page 6

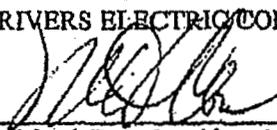
If the foregoing is consistent with our agreement, please execute a copy of this letter in the space provided below and return it to the undersigned. Thank you.

E.ON U.S. LLC

By: _____
Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

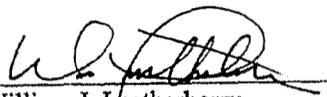
By: 
Michael Core, President & CEO

ALCAN PRIMARY PRODUCTS CORPORATION

By: _____
Pam Schneider, Treasurer

CENTURY ALUMINUM OF KENTUCKY
GENERAL PARTNERSHIP, A Kentucky General Partnership

By: Metalsco, LLC
A Georgia Limited Liability Company,
as General Partner and Managing Partner

By: 
William J. Leatherberry
Vice President and Assistant Secretary

E.ON U.S. LLC
220 West Main Street
Louisville, Kentucky 40202

June 24, 2008

Big Rivers Electric Corporation
P.O. Box 24
Henderson, Kentucky 42419-0024
Attn: President & CEO

Subject: Payment Regarding the Buy-Out of The Bank of America

Gentlemen:

Reference is made to that certain letter agreement dated June 24, 2008 (the "Cost Share Agreement"), among Big Rivers Electric Corporation ("Big Rivers"), Alcan Primary Products Corporation, Century Aluminum of Kentucky General Partnership and E.ON U.S. LLC ("E.ON U.S."), pursuant to which, among other transactions, those parties agreed to fund certain costs and expenses associated with the termination of certain lease transactions and associated rights and obligations among Big Rivers, The Bank of America Leasing Corporation (and/or certain of its affiliates) and other parties (the "BofA Transactions"). Capitalized terms used but not defined in this letter agreement shall have their same respective meanings as in the Cost Share Agreement.

For and in consideration of the agreement of E.ON U.S., pursuant to the Cost Share Agreement, to contribute certain amounts toward the Lessor Consideration at the BofA Closing, which contribution will provide a material benefit to Big Rivers, Big Rivers hereby agrees to remit and pay to E.ON U.S. in immediately available funds, without set-off or deduction, the amount of ONE MILLION DOLLARS (\$1,000,000.00), upon the later to occur of (but not before): (a) the "Closing" contemplated in that certain Transaction Termination Agreement dated as of March 26, 2007, as amended, among Big Rivers, Western Kentucky Energy Corp. and LG&E Energy Marketing Inc.; or (b) the approval of that \$1,000,000.00 payment by Big Rivers to E.ON U.S. pursuant to this letter agreement issued by the Kentucky Public Service Commission (the "KPSC"). The parties acknowledge that the foregoing payment by Big Rivers (if and when it is made) is intended to defray certain of the costs and expenses that are to be incurred by E.ON U.S. pursuant to the Cost Share Agreement.

Big Rivers further agrees to use its reasonable best efforts, from and after the date hereof, to seek and secure the KPSC approval contemplated in Subclause (b) of the preceding paragraph at the earliest practicable time following the date hereof, at Big Rivers' sole cost and expense.

Big Rivers Electric Corporation
June 24, 2008
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Lastly, this letter (which is also being delivered to the Smelters on the date hereof) shall constitute the Election Notice of E.ON U.S. to Big Rivers and the Smelters contemplated in Section 5 of the Cost Share Agreement, provided the BofA Closing occurs on or before June 30, 2008, it being understood and agreed that this Election Notice shall become null and void and of no further force or effect *ab initio* in the event the BofA Closing has not occurred on or before June 30, 2008, and it shall thereafter create no obligations on the part of E.ON U.S., whether pursuant to the Cost Share Agreement or otherwise.

This letter agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to the conflict of laws rules or principles of that state.

If the foregoing is consistent with our agreement, please execute a copy of this letter in the space provided below and return it to the undersigned. Thank you.

E.ON U.S. LLC

By: 

Paul W. Thompson
Senior Vice President – Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Michael Core, President & CEO

Big Rivers Electric Corporation
June 24, 2008
Page 2

Lastly, this letter (which is also being delivered to the Smelters on the date hereof) shall constitute the Election Notice of E.ON U.S. to Big Rivers and the Smelters contemplated in Section 5 of the Cost Share Agreement, provided the BofA Closing occurs on or before June 30, 2008, it being understood and agreed that this Election Notice shall become null and void and of no further force or effect *ab initio* in the event the BofA Closing has not occurred on or before June 30, 2008, and it shall thereafter create no obligations on the part of E.ON U.S., whether pursuant to the Cost Share Agreement or otherwise.

This letter agreement shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky, without regard to the conflict of laws rules or principles of that state.

If the foregoing is consistent with our agreement, please execute a copy of this letter in the space provided below and return it to the undersigned. Thank you.

E.ON U.S. LLC

By: _____
Paul W. Thompson
Senior Vice President -- Energy Services

ACCEPTED AND AGREED TO:

BIG RIVERS ELECTRIC CORPORATION

By: _____
Michael Core, President & CEO

Big Rivers Electric Corporation
June 24, 2008
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cc: Alcan Primary Products Corporation
P.O. Box 44
Henderson, Kentucky 42419
Attn: Plant Manager, Sebree Smelter

Century Aluminum of Kentucky General Partnership
Hawesville Plant
P.O. Box 500
1627 State Route 271 North
Hawesville, Kentucky 42348
Attn: Plant Manager

LOU: 2847882-2